

FEBRUARY 3, 2012

On September 6, 2011, the Southern Alliance for Clean Energy and the South Carolina Coastal Conservation League (collectively, “Environmental Intervenors”) submitted comments and recommendations concerning the Vintage 0 Application. The

Environmental Intervenors requested an explanation from the Company regarding its use of the 15% earning cap in calculating the Vintage 0 Revenue Requirement, which the Company provided through a supplemental letter filed on September 6, 2011. The Environmental Intervenors additionally recommended that the Company: (i) provide a schedule or timeline for completing and filing future Evaluation, Measurement & Verification (EM&V) reports so it is clear when vintages will be verified and finalized; (ii) provide a clear timeline for applying EM&V results to energy savings estimates for each program in the mid-term and final true-ups; and (iii) include an energy savings true-up for Vintage 0 in its Vintage 3 Rider filing.

On December 30, 2011, the Office of Regulatory Staff ("ORS") filed its review letter requesting that the Commission reduce the Company's requested amount by \$58,686, resulting in a revised recovery amount of \$5,906,516. Additionally, ORS stated that it agrees with the Environmental Intervenors' recommendations. We agree with the suggested revisions by ORS and recommendations by the Environmental Intervenors. Given that the Vintage 3 Rider filing was made by the Company before the Commission approved any recovery amount for Vintage 0, we amend the Environmental Intervenors' third recommendation to allow the Company to include a true-up for Vintage 0 in the Vintage 4 Rider filing, as opposed to the Vintage 3 Rider filing, and we direct the Company to supplement its pending mid-term true-up (Vintage 3) application with a clear timeline for applying EM&V results to energy savings estimates for each program.

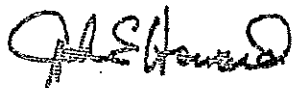
IT IS THEREFORE ORDERED:

1. Duke's request to recover the Vintage 0 Revenue Requirement, as amended by ORS, of \$5,906,516 as an offset to the Company's existing DSM balance is approved.

2. The Company shall provide a schedule or timeline for completing future EM&V reports and file those reports with the Commission upon completion; provide a clear timeline for applying EM&V results to energy savings estimates for each program in the final true-up and supplement the pending mid-term true-up with this information; and include an energy savings true-up for Vintage 0 in its Vintage 4 Rider filing.

3. This Order shall remain in full force and effect until further Order of the Commission.

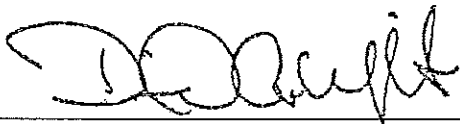
BY ORDER OF THE COMMISSION:



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John E. Howard, Chairman

ATTEST:



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David A. Wright, Vice Chairman  
(SEAL)